



8011-01p
SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request Copies Available From:
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Extension: Regulation D Rule 504(b)(3) – Felons and Other Bad Actors Disclosure Statement
SEC File No. 270-798, OMB Control No. 3235-0746

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (“Commission”) is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Regulation D Rule 504(b)(3) provides that no exemption under Rule 504 shall be available for the securities of any issuer if such issuer would be subject to disqualification under Rule 506(d) of Regulation D on or after January 20, 2017; provided that disclosure of prior “bad actor” events shall be required in accordance with Rule 506(e) of Regulation D. Rule 504(b)(3) requires the issuer in a Rule 504 offering to furnish to each purchaser, a reasonable time prior to sale, a written description of any disqualifying events that occurred before effectiveness of the amendments to Rule 504 (i.e., before January 20, 2017) and within the time periods described in the list of disqualification events set forth in Rule 506(d)(1) of Regulation D, for the issuer or any other “covered person” associated with the offering.

Approximately 800 issuers relying on Rule 504 of Regulation D will spend on average one additional hour to conduct a factual inquiry to determine whether any covered persons had a

disqualifying event that occurred before the effective date of the amendments for a total of 800 hours. In addition, approximately eight issuers (or approximately 1% of 800 issuers) will spend ten hours to prepare a disclosure statement describing matters that would have triggered disqualification under Rule 504(b)(3) of Regulation D had they occurred on or after the effective date of the amendments (January 20, 2017) for total burden 80 hours (8 issuers x 10 hours per response).

For Purposes of the PRA, we estimate the total paperwork burden for all affected Rule 504 issuers to comply with Rule 504(b)(3) requirements would be approximately 808 issuers and a total of 880 burden hours.

Written comments are invited on: (a) whether this proposed collection of information is necessary for the performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Please direct your written comment to Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street, NE, Washington, DC 20549 or send an e-mail to: PRA_Mailbox@sec.gov.

Dated: December 27, 2019.

J. Matthew DeLesDernier,
Assistant Secretary.

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